



Marketing Plan for Lightweight Concrete in Southern Vietnam

Case: Thien Nam Phuong Ltd.

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ABSTRACT:

The essence of developing a marketing plan for a company is the core value of entire marketing process. It is created to ensure that the company's capabilities are matched to the competitive market environment in which it operates, not just for today but into the foreseeable future.

This final thesis is commissioned by Thien Nam Phuong Co, Ltd in order to create an initial marketing plan for a new production line of lightweight concrete (as known as lightweight bricks) in the South of Vietnam. The thesis holds on specific information regarding internal and external environments, market opportunities as well as a detail marketing plan. Another aim is to find the right marketing strategy for Thien Nam Phuong Ltd to establish its new core business in a whole new industry. By developing a strategic marketing plan, the author expects Thien Nam Phuong to find out a right path to enter the Southern Market of Vietnam.

The thesis focuses on the initial information which is supported by Thien Nam Phuong Ltd (TNP Ltd) as well as the interviews with experts in related industries. By analyzing the target market, the author hopes TNP Ltd may find its competitive advantages and strategic positioning in the market as well as understanding the marketing strategy in order to achieve its objectives.

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1 INTRODUCTION

1.1 Background

Thien Nam Phuong Co, Ltd (TNP) is a young dynamic company with four years experience in producing MDF (Medium-density fiberboard) and HDF (High-density fiberboard). The company is located in Tien Giang province, South of Vietnam, with the factory of 29,668 square meters. Thien Nam Phuong Ltd initial capital was 300.000.000.000 Vnd (around 10.2 million Euros). Thien Nam Phuong Ltd was entitled the investment preference for project of building MDF, HDF Production Factory since 2007. It has been producing MDF, HDF to serve consumers' need inside and outside Vietnam. With over 500 workers which are currently working in the factory and 15 employees working at the home base and with the expansion in the future, Thien Nam Phuong aims to be a big size strong firm until 2015.

After four successful years of producing MDF and HDF, Thien Nam Phuong Ltd has exported 450.000m³ for the domestic market as well as exported to China and Taiwan. After the success in producing MDF, HDF industry, Thien Nam Phuong Ltd board members decided to move into another promising industry which is lightweight concrete. So they decided to invest 200 billion Vnd (around 7 million Euros) more to build a lightweight concrete production factory. This new building material is quite new in Vietnam market but has already become popular in Europe, America and many Asian countries such as China, Taiwan and so on. Catching up with the trend of the new material, Thien Nam Phuong Ltd want to take the opportunity to become one of the top lightweight concrete manufacturers in Vietnam market.

TNP Co, Ltd is not the first one who establishes lightweight concrete production line in Vietnam. But TNP will be the very first one who owns a modern lightweight concrete production factory with high production capability in the South of Vietnam which is the most important economic area of Vietnam. With realistic objectives and a clear vision, the success of TNP's lightweight concrete is only a matter of time.

1.2 The aims of the thesis

The purpose of this thesis is to develop a marketing plan for TNP's new production line which is lightweight concrete. Since, TNP is one of the first companies which has lightweight concrete production line in the South of Vietnam, the author focused mostly on the Southern Market of Vietnam. The thesis is about how to build a strong distribution network in South of Vietnam to reach all the potential customers. Therefore, the thesis does not include any information about other regions except the information regarding to the potential competitors from Northern of Vietnam.

All the information conducted in the thesis can be used by any readers. However, it's designed especially for TNP Ltd to enter the market and the new industry that TNP Ltd currently operates. The final thesis as a marketing plan is an initial guideline for TNP Ltd to achieve its objectives and build a strong foundation for its new core business in lightweight concrete industry.

1.3 Methodology

This research is conducted to find out the right strategy for TNP Ltd and its market environment which the company operates in. The advantages and disadvantages as well as the reliability of this thesis were also part of the objectives. In order to answer these research goals, the author opted to obtain the view of different experts and sources within related industries. These experts are constructors, real-estate agencies, building materials distributors and so on. The data that are used in this thesis are gathered from different sources such as TNP Ltd light weight concrete project plan, secondary data from Nielsen Company about the building material industries, E-books, published articles and etc. By combining all the resources and information, the author expects readers as well as TNP Ltd to get the overall picture of the target market.

2 **MARKETING PLANNING**

2.1 What is marketing?

Nowadays, it is easy to recognize that marketing has played a vital role in the success of famous airline companies such as Ryanair, EasyJet and Emirates. They pay more attention on customer and invest more in marketing orientation as well as the market changes (Philip Kotler 2008, 6).

There are many ways to define marketing? Understanding the concept of marketing will give us a picture of the core business function as well as understand why there are so many organizations keen so much on marketing.

In The Principles of Marketing, Philip Kotler (2008, 7) defined that: “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”. There is also another definition from the book Marketing Strategy and Competitive Positioning (Graham Hooley, Nigel & Brigitte 2008, 7) in which he stated a definition based on an extensive search and development process led by Robert Lusch and Greg Marshall: “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefits the organization and its stakeholders."

Whatever the definition is, marketing is used to serve a common purpose in order to enhance companies' benefits in different aspects and build up organization's image by raising customer's awareness.

2.2 What is a marketing plan?

The term marketing planning is not as simple as it is called. It includes a lot of activities such as segmenting the market, identifying market position, predicting market size as well as the market share of each target segment depending on the resources of the company. The resource and objectives differ from company to company and will change in term of time. The art of locating marketing resources to achieve marketing objectives is known as marketing planning. (John Westwood 2006, 6)

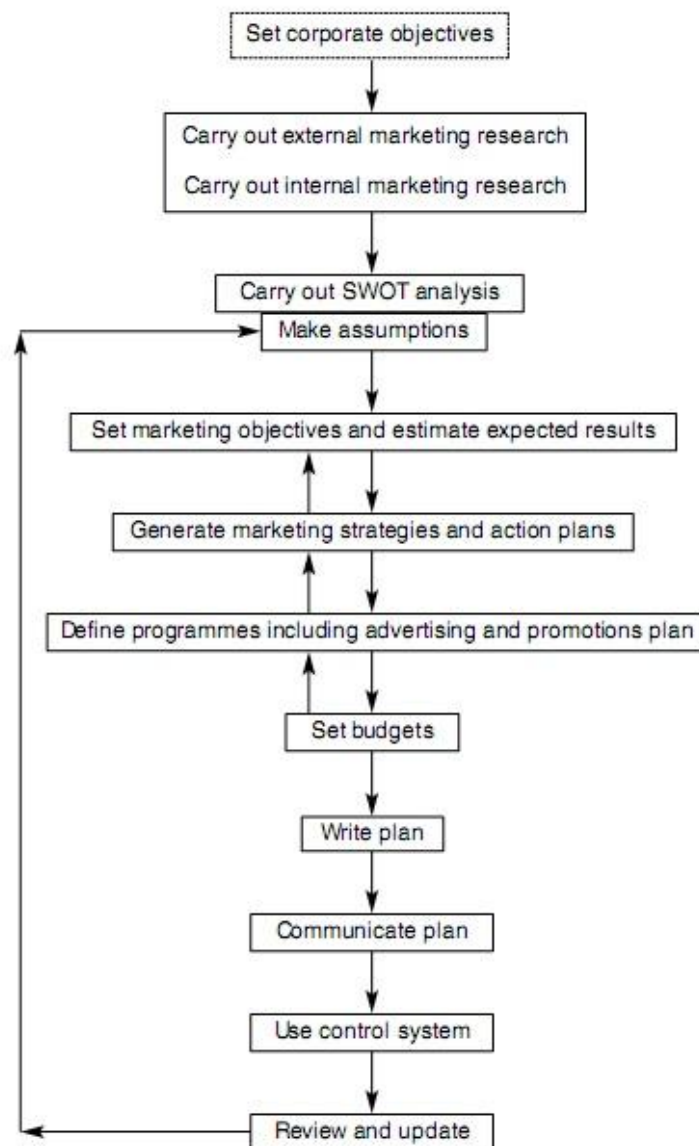


Figure 1: Marketing Plan Process (John Westwood 2006, 6)

Many organizations use marketing plans not only for initial guidelines but also to formulate a strategic plan to achieve business goals. A complete and continuous plan will tell organizations where to go and what to do from the beginning to the very end of the process. It does not only include pricing strategy, the sales and distribution plan and advertising and promotion campaign but also the business unique selling proposition.

A traditional marketing plan includes a lot of information concerning situation analysis, targeting, positioning and 4P's analysis. Accessing the marketing plan gives the company the idea of what is going to happen during the planning period, who takes the responsibility, how much it will cost as well as the expected outcomes (David W. Cravens 1997, 21). It also includes action guidelines for company to implement its marketing activities such as who does what, the dates and the location implementation and how the implementation will be accomplished. (David W. Cravens 1997, 21)

2.3 Marketing Strategy Process

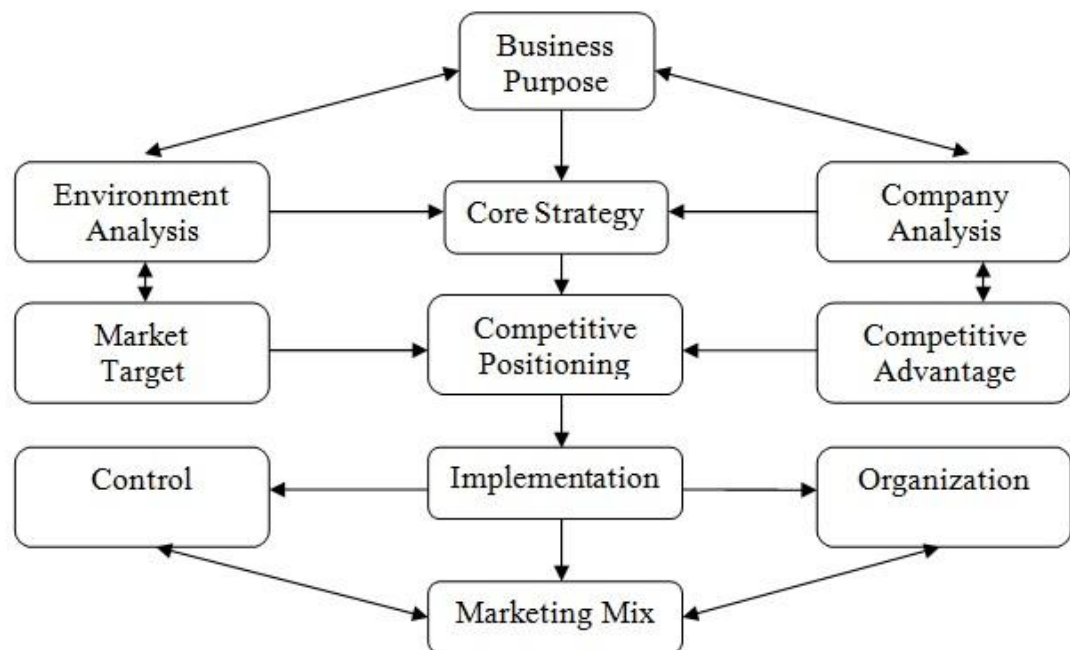


Figure 2: Marketing Strategy Process (Graham Hooley 2008, 35)

“Forming a strong marketing strategy process will ensure all the marketing activities go in a right direction that match the business goals as well as minimizing the risks of losing Return on Marketing Investment”. The purpose of the marketing strategy process is

to find out all of the components needed to accomplish a marketing strategy after the company has found its goals. These main components are the core strategy, the competitive positioning, implementation and marketing mix (Graham Hooley 2008, 34)

3 THIEN NAM PHUONG CO, LTD.

3.1 Company Introduction:

Thien Nam Phuong Co., Ltd (TNP) was established on April 2nd 2007, located in Tien Giang Province, Vietnam which mainly produces and trades construction materials. TNP has the factory with the total area of 30.000 m² in Tien Giang with modern production line imported from abroad. The former factory was built in 2007 to produce MDF and HDF. In 2010, the new factory was formed to manufacture high quality bricks with capacity of 150.000m³/year.

With young, dynamic but experienced managers and officers, TNP always serve customers with best quality in products and services. The corporate has built a quality management system under ISO 9001:2008 international standards for its MDF, HDF production and is developing a new system for its new lightweight bricks production line.

TNP Ltd wants to become one of the strong suppliers of light weight brick for many buildings and take more than 50% market share in the South of Vietnam within for 3-5 years. The corporate will contribute to Vietnam's constructions with up-to-date business strategies and goals.

Company name	Thien Nam Phuong Co., Ltd	Established date	2 nd , April 2007
Location	Tien Giang, Vietnam	Charter capital	300,000,000,000VND
Capacity	150.000m ³ /year	Factory size	30.000m ²

Company Logo



Figure 3: Thien Nam Phuong Co Ltd, Logo

The logo illustrates TNP's vision and capability. T.N.P stands for the company name which is Thien Nam Phuong. The letter T&P are emphasized because of its hidden meaning whereas T and P alone stand for "Tien Phong" which means "leading" in English. Moreover, the letter is getting bigger express the developing and prospecting of the company.

Company Slogan

"We build, We grow"

TNP Ltd Value Drivers

"The spirit of TNP is the core to the success and set rules in remarkable properties of the brand "TNP" formed through the arduous first date of the company. The spirit is built from experience and learning process and tempered by the challenges during development." (TNP C.E.O Interview)

TNP respect each individual, innovation and team work. This is the mental strength to give TNP success followed success. This spirit is the soul of TNP. Without it, TNP could not be as successful as it is today. Each TNP member has the responsibility to protect the spirit of the whole company. Leadership at all levels - who keep the spirit of fire should be public-spirited, selfless, exemplary and lucid, which will help TNP Ltd to develop overtime. If the spirit is preserved and promoted, it will lead TNP to longevity, a continued strong performance and greater success.

3.2 Lightweight Concrete

Lightweight concrete (brick) as known as AAC (Autoclaved Aerated Concrete) is a well known constructing material all over the world; it was first invented by a Swedish Architect named Johan Axel Eriksson in 1923. (Wikipedia)

Lightweight concrete contains no aggregate larger than sand, lime, thermal ash, synthetic fiber, cement, aluminum powder and water as binding agent. When AAC is mixed and cast in forms, several chemical reactions take place that give AAC its light weight (20% of the weight of concrete) and thermal properties. Therefore, lightweight concrete is quite light and may suffer extreme pressure as well as insulate the high and low temperatures. (TNP Ltd Project Plan)

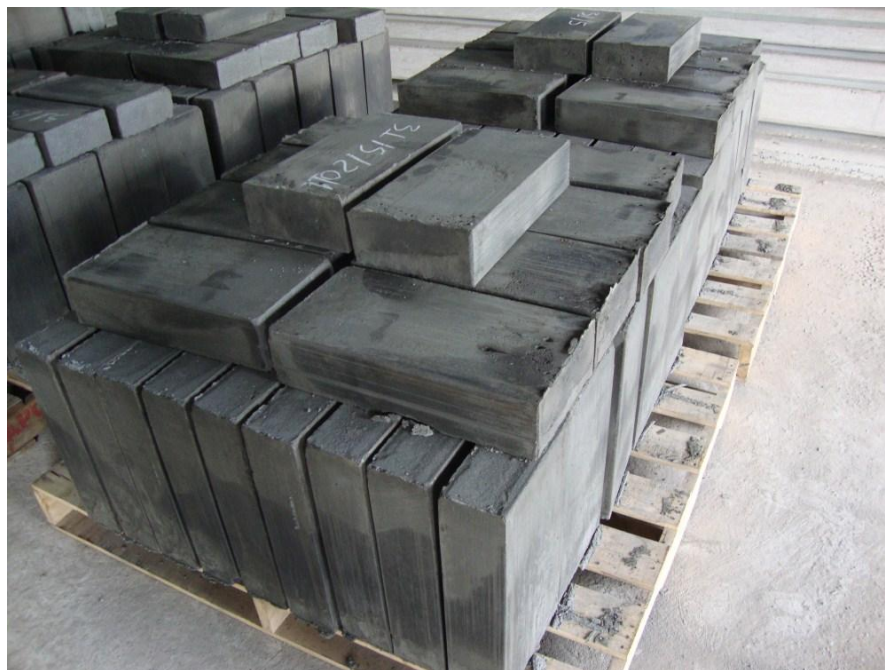


Figure 4: Wet (Uncompleted) Lightweight concrete at Thien Nam Phuong Ltd

In Japan, lightweight concrete is used to support the building foundation against the earthquakes. Lightweight concrete technology is quite friendly with the environment by reducing five times the amount of carbon dioxide of the production from the raw material process till the recycle wastes process. Since the born of lightweight concrete in building industry, baked bricks (made from natural clays) in developed countries are banded to protect the environment and national resources. On the other hand, lightweight concrete with the gas bubbles structure (up to $\frac{1}{8}$ inch in diameter) is applied

popularly by developed countries with high technologies such as United States of America, Germany, France, Japan, etc. in handling multiple geography technical issues such as making the foundation for highways, anti-slip subsidence in the mountainous areas or weak land areas to bring back huge economic benefits. (TNP Ltd Project Plan)

Because of its advantages, lightweight has taken an important part of developed countries such as Europe, North America, and North Asia as well as the attention of some developing countries in replacing its traditional building material which is red brick, regular concrete and clay block.

3.3 New Opportunities and Challenges

When constructing buildings, especially high-rise building, the investor always tries to make the structures sustainable and cost-effective. The way to acquire both of these two depends mostly on the foundation of the building. However, the foundation depends on the geology and the total mass of the whole project. Changing the geology is difficult, more feasible is to find ways to reduce the loading capacity. Hence, the birth of light weight brick is considered as a revolution for the construction industry. Light weight bricks are made from cement; thermal ash, synthetic fibers (possible) and foaming agent to make the composition inside possess chambers forming as a honeycomb. This helps the brick become porous and reduce the weight of brick from 600 kg/m³ to 900kg/m³ (D600 - D900) as ½ lighter than common brick, and easier to drill, cut or nail directly onto the tile surface. The brick can even float on water. (Wikipedia)



Figure 6: Completed Lightweight Concrete Block



Figure 5: Lightweight Concrete floats on water

There are various kinds and sizes of lightweight concrete to be used widely from small projects to high rise buildings. The costs also suit each project. Lightweight concrete is a great construction material. It is not only low derivative, high thermal resistant, environmental protected but also energy-cost saving compared to traditional materials. Producing traditional materials waste industrial land, coal and in the same time, causes greenhouse effect by eliminating millions tons of CO₂. Conversely, lightweight concrete limits environmental bad impacts and recycles a significant amount of industrial waste, turning waste into useful materials.

Due to its benefits, lightweight concrete has become the general trend of the world. In China, the new type of building materials accounts for more than 55% in 2010. In Britain, lightweight concrete is about 70% of the total building materials. With the global trend, Vietnam Government is trying to take full advantage of lightweight concrete as well by approving the Decision No. 121/2008/QĐ-TTg dated 29/08/2008 of the Prime Minister. The Decision shows the master plan and route for developing materials in Vietnam till 2020: lightweight concrete in 2010 will account for 10% to 15% and increase from 20% to 25% in 2015 and in 2020 the rate will reach 30% to 40%. Understanding the great opportunity, Thien Nam Phuong Co., Ltd is established to manufacturer lightweight concrete with development objective not only to cover South Market of Vietnam but also the whole domestic market and export to other countries in the near future. The company's goal is to produce and sell 150,000 m³ / year. Although using lightweight concrete provides much economical and technical efficiency, there are still a lot of challenges that Government and manufacturer have to confront.



Figure 7: Construction using lightweight concrete

Red bricks substitute

Red bricks are more familiar and widespread than the light one. Though the designers have acknowledged the huge advantages of using light weight bricks for constructions, but convincing the investors to use them are not simple. Vietnamese people are naturally afraid to change and no one wants to become the first “white mouse” facing a new problem. The designers have to give guidelines and specific provisions while using this material. However, there is not any norm that guides how to build the unit price when doing estimation. The standards and guidelines are still gradually built by authorities putting difficulties in designers' way of applying light bricks. Besides, in Vietnam, when the construction is approved, it is difficult to change the material from one to another. It will be easier with the investors from private enterprises, but if the construction uses the state budget, then the changing process and procedure become much more difficult and take more time. Therefore the designers usually gloss over to avoid construction delays.

In addition, the red brick manufacturers almost don't have to pay raw land. Fuels are exploiting randomly from forests at a very cheap price. This leads to the production cost of red bricks, especially the cost of handmade red bricks is usually much lower than its true value. Hence, the price of light weight brick is not really attractive compared with the traditional one.

Due to some obstacles described above, it is a real challenge that we must face to reach the sales goals. This marketing plan is tend to change the situation that we're in and bring the company over significant challenges and risks.

4 **MARKETING PLAN AND IMPLEMENTATION**

4.1 Marketing Visions and Objectives

Peter Cheverton (2004, 97) stated in his book "Key Marketing Skills" that: "Marketing is about the future, so it must have a vision and it must have objectives. The differences? Vision is a big picture: where we want to be summed up in a mission statement. Objectives are more specific and must conform to the acronym SMART: specific, measurable, achievable, realistic and time bound."



Business objectives are a way for an organization to define its goals and direction. Setting up objectives will let organization know what to do in the present to become what they want in the future. It determines how a company will allocate its resources and what strengths, weaknesses and opportunities it may have. The business resources are all the supported things that help organization constrain its progress such as company capabilities, logistics, money, R&D and its people. (Peter Cheverton 2004, 97)

Identifying marketing objectives is one of the important steps that the company has to do in the very beginning of marketing planning. Marketing objectives are what the company wants to achieve to succeed. They must be definable and quantifiable and should be expressed in terms of values or market shares. They should not be easy but not too hard to achieve. The aim is to set objectives that are a challenge, but that can be

achieved with effort. They must be motivating rather than discouraging.” (John Westwood 2006, 52).

TNP Ltd Vision:

We are not the first one who bring lightweight concrete to Vietnam but we committed to become the leading manufacturer by providing superior-quality lightweight concrete manufactured to the highest standards at competitive prices.

TNP Ltd Marketing Objectives:

- To generate the visibility of lightweight concrete in the public
- To produce and sell 150,000 m³ of lightweight concrete per year
- To become the top lightweight concrete supplier in the South market within 5 years.
- Offer customers superior products, at a competitive price.
- Aims to get the ROI after 5 years.

4.2 Marketing Audit – Situation Analysis

The marketing audit is a comprehensive evaluation of a company's marketing assets. It is an insight of organization's marketing environment, specific marketing activities as well as its internal marketing system. It normally starts with a lot of analysis concerning all the environmental components. (Peter Cheverton 2006 12). And these analyses are the initial foundation for marketing managers to design a strategic marketing plan or change its existing marketing strategy to suit with the current situation. (David W. Cravens 1997, 10)

By auditing the current market, TNP may find a good view of the current market where its core business operates. Understanding the current situation does not only help TNP Ltd to define the market needs but also give a chance to finds out more about its competitors as well as its competitive advantages in the market. Figuring out important information about the market gives TNP the opportunities to avoid the risk of losing the market and understand what need to be solved to improve its products.

4.2.1 Internal Audit – Microenvironment

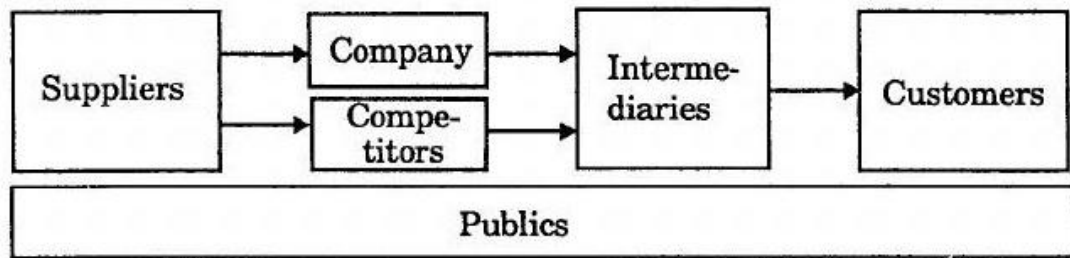


Figure 9: Major forces in Company's Micro Environment. (Ramachandra et al. 2010, 2.4)

The internal audit is the process of analyzing all the forces that create different effect on the company's microenvironment. These forces are intermediaries, public, competitors, suppliers and customers. These forces possess different bargaining power based on their role on the market. The company must pay attention on these forces in which it operates. Underestimating these forces might cause a lot of unpredictable consequences. (Ramachandra et al. 2010, 2.4)

Internal audit are not only focusing on the resources that the company has. It also analyses the marketing team concerning structure, efficiency, effectiveness, correlation with internal function and other organizations.

4.2.1.1 Customer Analysis

According to Ramachandra, K. Chandrashekara, B. Shivakumar, S. 2010, 2.6:

There are five different markets with different purchasing power: Consumers market, Industrial market, Resellers market, Government market and International market.

- Consumers market is the market in which the product or service is purchased by individuals or consumers to fulfill their personal use.
- Industrial market includes those who involve in selling goods between businesses.

- Resellers market includes those who buy and resell goods for promising profit.
- Government market involves all the parties that purchase goods to serve public needs or empower the society.
- International market are includes all kinds of foreign purchasers. They could be resellers, distributors, consumers or importing companies.

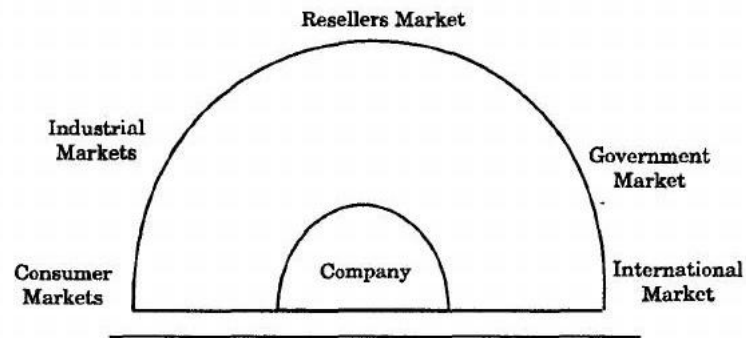


Figure 10: Classification of markets (Ramachandra 2010, 2.6)

Company should focus on identifying who their main customers are by analyzing customers' needs and purchasing power. These analyses will tell firm what to do to meet customers' requirements and add more value to achieve customers' satisfaction (Ramachandra et al. 2010, 1.14)

TNP Ltd target main markets:

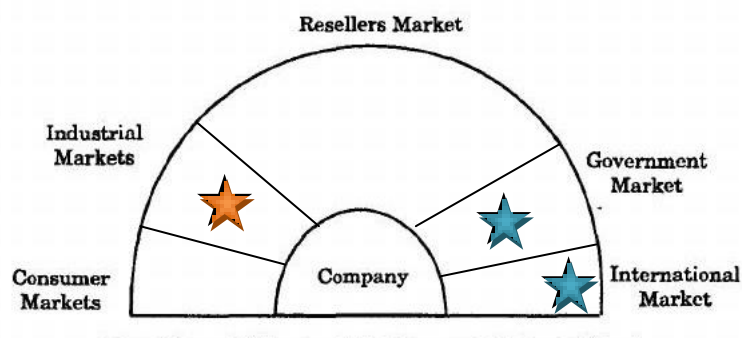


Figure 11: TNP Ltd Market Classification



Main target market



Potential Markets

- TNP Ltd Industrial market includes constructors, distributors and other companies related to constructing industry.
- TNP Ltd Government market is all the constructing projects that belong to government
- TNP Ltd International market is considered as a potential market whereas TNP Ltd can export its products in the near future such as Cambodia, Laos, Taiwan, China, etc...

As a new player on the whole new industry, TNP not only needs to focus on producing high quality products but also needs to concentrate on identifying their target and potential customers. In order to do so, the importance of understanding customers' needs and problems are the key factors which will help TNP in the very beginning of the operation. It not only helps TNP improving and enhancing the product itself but also provides solutions for customers to solve their issues.

One of the key issues that investors, contractors and architects are interested in building high-rise projects is continuously improving the quality of works while ensuring investment costs are reasonable low. If light weight bricks are used for the house which is higher than 9-storey, the material cost is higher but overall structure cost can be reduced to 10% total costs compared to normal bricks. However, many companies and investors are concerned because of the lack of material supply, at the same time, unit price is higher than normal bricks and contractors often have a lack of guiding information. These problems make light weight bricks less attractive to them. Therefore, in 2008 the figure of using this new material was only 8.5%. From 2011, due to the support of the government, constructions that are higher than 9 stories will use at least 30% light weight bricks compared with total construction materials. In overall, investors have concerned about this new kind of building material, but through the government policies, light weight bricks market will grow deeply and widely in the very near future. Until now, many popular buildings in Vietnam have been using light weight concrete: for example, Keangnam, Dolphin Plaza, Hanoi Plaza Hotel and Song Gia resort...

Keangnam - Tallest building Vietnam (Hanoi): (<http://www.cbrevietnam.com>)

Keangnam Landmark Tower is a combination of offices, hotels; apartment is located on Pham Hung (Hanoi) with a total investment of over USD 1.05 billion, including a single 70-storey building, two 47-storey apartment buildings, which is the tallest construction in Vietnam. According to calculations, Keangnam consumed about 30 million lightweight bricks.



Figure 12: Keangnam Building

Dolphin Plaza: (<http://www.dolphinplaza.com.vn>)

Dolphin Plaza apartment was built at 28 Tran Binh, My Dinh, Tu Liem, and Hanoi, Vietnam on a land area of 9.874m². The project is located at the western gateway of the city - the area is developing very fast and in the future will be the new administrative district of Hanoi. The work was started on 18-11-2008 and is expected to be completed at the end of 2011. With the leading idea is a combination of luxury, modern and close to natural apartment, Dolphin was designed by the consulting firm DP Architects - DPA (Singapore).



Figure 13: Dolphin Plaza

Its design is truly impressive. That's a four 28-storey high tower, divided into two blocks, connected by three podium floors. The building is cleverly combined with the

functions of rest, relaxation and technical support in the tree layer, which contribute to the beauty of the project, as well as factors that make a difference in architectural form.

Vincom Center, Dist 1, Ho Chi Minh city, Vietnam. Total area: 7371 m², 32 Stories.

Vincom Center is a high-end office, shopping mall and residential complex with total investment of 4.500 billion VND. The building commenced operation on 30 April 2010; however the Shopping Mall and Office had effectively operated before.



Figure 14: Vincom Center

(<http://vincomcenter-hcm.com>)

Each of the buildings above consumed over 30 million lightweight bricks which cost 9% less in total compared to normal bricks and traditional heavyweight concrete. Besides, It is also estimated that each of the building weights less from 3000 – 6000 tons depending on the height of the building. Within 20 years, according to a research of Ho Chi Minh Architecture University, there will be at least 30-50 buildings like these in the South of Vietnam, especially in Ho Chi Minh City, Bien Hoa City and Binh Duong Province. Except Keangnam and Dolphin Plaza which are located in the North of Vietnam, Vincom Center is located in Ho Chi Minh City, South of Vietnam, but Vincom Center still had to purchase and transport lightweight concrete from the North suppliers. The birth of TNP's lightweight concrete production line will erase these issues by reducing transportation cost and delivery time by the advantages of factory location.

Beyond the above target customers, TNP Ltd is also looking forward to cooperate with the government in various profit and non-profit projects. Started in 2008, the 50 years plan of expanding two important economical centers which are Ho Chi Minh City and Ha Noi Capital will engage a lots of opportunities for TNP in the future. There are various kind of projects such as Police Central Building, Green National Hospital,

apartments for retired soldiers, national parks, projects with foreign investments and so on. However, it's not easy to catch up these promising opportunities within a deep research on regulation and related matters regarding to legal and environmental issues.

4.2.1.2 Competitor Analysis

The idea of competitor analysis is to find out the company's main competitors information in order to create a strategic plan against them. With competitor analysis, firm knows the strengths and weaknesses of its competitors and might find out the way to improve its products or prepare to face its competitors. (Ramachandra et al. 2010, 2.5)

While it is essential to know your competitors, knowing them does not guarantee your success. You must still be able to carry out the tactical action plans that you will develop to market your business.

Current lightweight suppliers in Vietnam market:

Khang Minh Brick JSC Ceramic was established on September 23rd, 2010 by the certificate of business registration No. 0700510750 Department of Planning and Investment of Ha Nam province. The company is manufacturing and trading building materials. The core product is light weight brick.



Figure 15: Khang Minh Logo

Recognizing the potential development of light weight building materials, which is indispensable trend in Vietnam, Khang Minh JSC has invested and built Khang Minh factory in the Southwest Industrial City, Phu Ly, Ha Nam, and Vietnam with a total area of 40,000 m². (<http://gachkhangminh.vn>)

The company has invested a up-to-date, automatic equipment and industrial machine with high and stable productivity. All kinds of products of Khang Minh meet and exceed the quality standards of the Ministry of Construction (TCVN 6477:1999). The quality is controlled and tested at specialized units such as General Quality Standard Measurement Department or Construction Material Institute. (<http://gachkhangminh.vn>)



Figure 16: Khang Minh Factory

With the advantage of location adjacent to the plant material, the company aims to produce a stable output with major product categories:

Stage 1: 65 million members required standards / year

Stage 2: 150 million tablets standard procedures / year

The company has many kinds of products diversifying from design, size to thickness. In addition, the Company can produce based on the order of each investor.

Strengths	Weaknesses
<ul style="list-style-type: none"> - The company has created its creditability through Vietnam quality standards. (TCVN 6477:1999). - Khang Minh won bids of some popular buildings such as Keangnam Tower, Horizon hotel (one of the brick supplier). - The factory has an advantage of material location. - The Company can produce based on the order of each investor 	<ul style="list-style-type: none"> - The company is still young (in compared with its main competitors). - The company mainly trades in North Vietnam. - Khang Minh doesn't have quality standards of ISO (international quality standards). - Due to its immaturity, Khang Minh has lost some important bids to its competitors.

Phuc Son Lightweight Block JSC

was established in 2009. Its head-quarter is in Luong Son - Hoa Binh District and Office is in Cau Giay District, Hanoi. Scope of work is mainly producing and trading construction materials, interiors. The company has built quality man-



Figure 17: Phuc Son Factory

agement system under ISO 9001:2008 international standards and certification QUACERT. (<http://phucson.vn>)

The company has a lightweight brick factory in Luong Son Industrial Park – Hoa Binh with the area of 15,228 m² and fixed assets over hundreds of billions Vnd. With the modern production line imported from abroad with the capacity of 150.000m³/year, the factory are formed to produce high quality bricks together with enhancing creditability and reputation for its customer both national and international. (<http://phucson.vn>)

With the goal of becoming one of the leading companies in manufacturing and trading construction materials, the company keeps on expanding its production and market.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Through media campaign "Protecting agricultural land by modern production technology" on the opening day, Phuc Son created a relationship with government by protecting environment in the local area. - The company has international standard ISO. - Its production was imported from abroad with high capacity. 	<ul style="list-style-type: none"> - Products are not diversified. - Leaders are young and not experienced. -Importing material from abroad cause higher costs.

Tan Ky Nguyen JSC: With the cooperation with Fosset Corporation – British, first concrete brick factory followed German technology has been constructed at Long An in June, 2009 with total stage one investment of 160 billion Vnd. In June 2010, the brick pallet branded E-block



Figure 18: Tan Ky Nguyen JSC Factory

have been using in constructions. Cur-

rently, the plant is operating with a capacity of 100,000 m³ / year. Expected in the year 2011 - 2012, the plant will continue to expand production and will reach design capacity 450,000 m³ / years after the project was completely finished. (<http://www.e-block.com.vn>)



Figure 19: Tan Ky Nguyen Manufacturing Machines

Besides the main product, lightweight brick EBLOCK, the plant also provides products and paint stucco dedicated to light weight bricks with a capacity of 30,000 tons / year.

Tan Ky Nguyen Factory located in the Thinh Phat industrial park, Ben Luc District, Long An province. The entire factory covers an area of approximately five ha, of which the main factory is 10.000m², stucco producing area is 1500 m² and office blocks are 1500 m². There is also an area for gathering raw materials, finished products warehouse. (<http://www.e-block.com.vn>)

Strengths	Weaknesses
<ul style="list-style-type: none"> - E-BLOCK brick is manufactured based on the technology AAC, which is encouraged to use by the Green Building Association (Green Buildings Council) encouraged to use because of its features (safe for the environment and user). - With the cooperation with a British company together with using German technology, E-block of Tan Ky Nguyen has been trusted by many customers. - Factory's capacity may grow fast and strong when the plant is completely finished. 	<ul style="list-style-type: none"> - The company is still young (in compared with its main competitors). - The company only has one brand and one product. (E-Block) - The company doesn't have international standard ISO.

Baked Red Brick

Until now baked red brick is still the most popular constructing material in Vietnam and other South East Asian countries. It's cheap and available everywhere. It has been using for hundreds of years as a traditional building material for all kinds of constructions. Because of its popularity, lightweight concrete is only known by construction compa-

nies, building material suppliers or government, people without constructing education has no awareness about lightweight concrete. However, the good news is new building materials that are good for environment such as lightweight concrete will get a lot of supports from the government. Besides, the process of producing baked bricks is too harmful to the environment, so the government has already had a plan to erase unqualified baked brick factories which cause over 40% environmental issues.

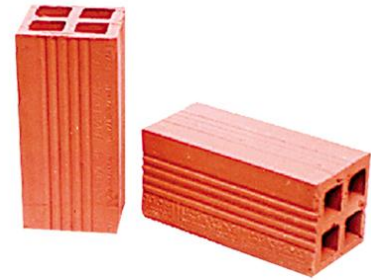


Figure 20: Baked Red Bricks

4.2.1.3 Intermediaries Analysis

Intermediaries analysis is the process of analyzing those who help the company support its core business such as promoting, selling and distributing the goods to final buyers. Middlemen, transporting firms, financial agents, service agencies are all intermediaries. (Ramachandra al et. 2010, 2.5)

As a MDF supplier for over 4 years, TNP has quite many relationship with constructing material distributors, construction companies as well as some transporting companies. These companies have been cooperating with TNP from its very first days of operation. The relationship is tight and will get stronger in future. With the prestige that TNP has built over 4 years, TNP's intermediaries are willing to cooperate with TNP to distribute and promote lightweight concrete to the market and get the benefits out of it. Some of TNP's main intermediaries are Minh Duc Thai Thinh (MDT) Inc, Hoang Vu Ltd, Dong Duong BMC Co, Golden Communication Group Ltd and Marilink

Minh Duc Thai Thinh (MDT) Inc is one of enterprises specializing in supplying and trading constructing materials such as MDF, HDF, basswood, Bubinga board, Marble Stone, Curly Nara wood, etc for interior and construction industries.



Figure 21: MDT Inc, Logo

MDT Inc's retailers are covered and available all over Vietnam. With the young and dynamic workforce, MDT Inc believes that its products will be available in all of South East Asian countries within 8 years of expansion. Taking the advantages of wide and strong retail network that MDT Inc has already had. TNP's lightweight concrete will be available everywhere in Vietnam. (<http://www.vanep.com.vn/>)

Dong Duong (Indonechia) BMC Co:



In recent years, high technology and new innovative products of the world have brought into Vietnam more and more, increasing the richness and diversity for the construction industry. One of the pioneering companies in making the equipment brand bathrooms and modern kitchen equipment, leading to the main market, is Vietnam Indochina Ltd. Showroom Indochina Saigon was founded in 1992 at 268 Ly Thuong Kiet Street, District 10 and Showroom Indochina Hanoi established in 1996 at 27 Thai Thinh Street, East Ocean BMC immediately causing the attention of professionals in the furniture industry. All the products of many well-known companies in the world before reaching consumers are quality control (C / Q) and certified product origin (C / O). These are the most important factors which Indochina BMC helps customers feel safe when using the service in a way to serve thoughtful & professional counseling from the staff at the gallery.

Figure 22: Dong Duong BMC, Logo

Golden Communication Group is a group of communication companies specialized in designing, advertising, event-PR, digital marketing, media planning and buying and television program development. It is a pioneering group that is capable and experienced in providing one-stop-shop solution for clients communication needs. Within its six specialized companies, Golden Communication Group is able to deliver a 360 degree communication solution to bring brands closer to consumers. (<http://goldenadgroup.com>)



Figure 23: Golden Communication Group Logo

There is no limit to creativity at Golden Communication Group. Its specialists are constantly challenged and repeatedly deliver creative communication solutions to add value to the company's clients' brands. Its talent employees turn ideas into realities on a day-to-day basis; turning strategies into concepts, concepts into ideas, ideas into pictures and words that touch consumers in order to build its clients' brands.



Figure 24: Golden Categories

Golden Communication Group has been cooperated with TNP Co Ltd for over 2 years. As a marketing agency, Golden Communication Group not only helps TNP to bring the products to the market but also create marketing campaigns for TNP Ltd to build up and maintain TNP Ltd's image in Vietnam Market. After 2 years of cooperation, Golden Communication Group signed a contract with TNP Ltd in order to become TNP Ltd's strategic partner in Marketing and Communication field.

Marilink Logistic is one of service providers to receive, transport goods internationally leading in Vietnam. With experienced staffs in importing and exporting, Marilink brings to customers "global solution" with a lot of services from the collection of information, transport and distribution of goods from manufacturer to make about their clients.



Figure 25: Marilink Logo

Network with agents worldwide, Marilink Logistic commits to bring exceptional value for customers in unique conditions, with the prestige and professionalism.

Marilink Logistic services: (<http://marilinkvn.com>)

Sea Freight: Marilink Logistic provides a reliable and comprehensive service. Transporting goods to most ports in the world at the most attractive price. Based on a wide network of agents, Marilink Logistic has constantly developed and improved, creating a prestige and trust with customers.

Air Freight: Marilink Logistic has cooperated with a wide range network of airlines in the world, so the company ensures required transport goods will be quickly received by customers.

Warehouse: Marilink Logistic are not providing customers a safe storage area, but also provide a range of value such as: technology, management, personnel, equipment and systems integration to ensure that the warehouse services are cost effective.

TNP Co Ltd has its own warehouse and truck transportation and it has been working effective for recent years. However, without knowledge about Sea Transportation and Air Transportation, Marilink Logistic still plays a very important role in TNP's product export.

4.2.1.4 Public Analysis

Besides, identifying who are their competitors, who are their customers, organization have to pay attention on large group called public who take an interest on the company in its ways of doing business whether the company is welcome or not. Sooner or later, public will affect company's activities in achieving its goals. Many companies are operating in a sensitive industries such as cigarette, alcohol or medicine often have its own public relation department to deal with all the issues regarding to their core business. There are several types of publics surrounded around every company, as given below:

- Financial type such as banks, financial analysis, creditors.
- Media type such as television, newspapers, magazines, bloggers.
- Government type such as government departments
- Social type such as labor union, environmental groups
- Local type such as local communities, neighbourhood
- General type general public, public opinion, public image
- Internal type such as employees, managers, board of directors

(Sources: Marketing Management, Karunakaran, K. 2008, 29-30)

Currently TNP has no trouble with its MDF production line related to environmental issues. Besides the complex manufacturing machines, TNP also develops rubbish and wastewater processing system to sterilize the bacteria before it goes to the river. Now with the new lightweight concrete manufacturing system inherited the German technology which is 80% friendly with the environment. Compared to other building materials

such as red bricks, baked bricks, traditional concrete blocks, lightweight concrete is much more friendly to the environment. Because of this advantage, lightweight concrete not only get the attention of government but also the public. Vietnam is working on the path of becoming a developed country; therefore material like lightweight concrete will speed up the process.

4.2.2 External Audit – Macroenvironment

In the macro environment, there are six major forces that influence the organization. There are Demographic, Technological, Political, Cultural and Natural forces. These forces are often uncontrollable and have different roles in the operation of the company. Marketers must monitor these forces to reduce unexpected issues that cause unpredicted consequences in the future. (Ramachandra et al. 2010, 2.7)

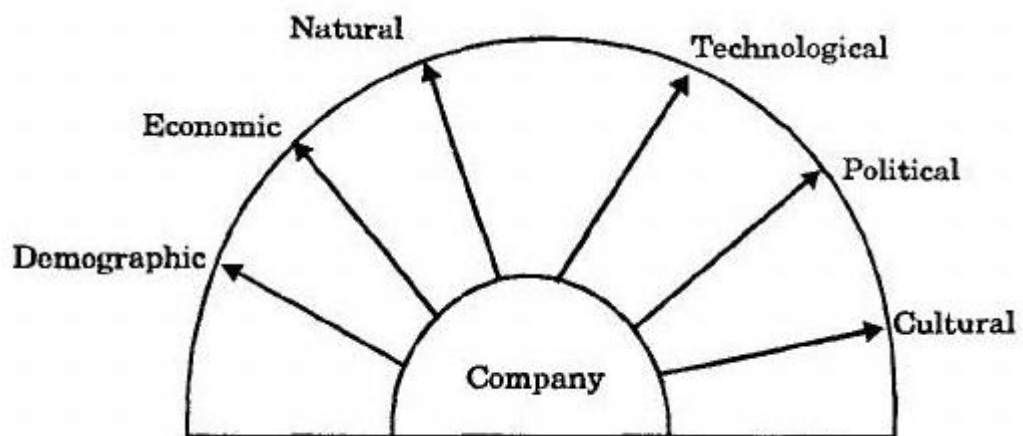


Figure 26: Macro Marketing Environment Forces (Ramachandra et al. 2010, 2.7)

According to Karunakaran (2008, 31) the six macro marketing environment forces are defined as follow:

Demographic Environment:

In this environment, marketers pay more attention on monitoring the population, because people are the key element that makes up markets. Therefore, marketers often concern more about the size and population growth rate in cities, regions and different countries as well as the distribution of age, ethnic structure, education level, household patterns families and the movement of the region. This environment changes over time

and affected by a lot of factors. Besides, marketer should keep in track of the changing in age, family structures as well as other characteristic related to demography.

Economic Environment:

This environment is influenced by people and its purchasing power. In the macro environment, purchasing power depends on income, prices, volume savings, debts and credit availability. Marketers should pay a very close attention in monitoring the monetary policy changes, prevailing interest rates, business cycles, changes in income levels, etc. to keep in track with its marketing strategy.

Natural Environment:

Marketers have to be aware of all things that related to the changes of natural environment such as the levels of pollution, shortages of raw materials, cost of energy and role of the government. All of these natural factors cause a big impact on the marketing activities within the organization

Technological Environment:

Technology is the key success of most of the organization. New technologies that provide superior value in satisfying market's needs, stimulating investment and economic activities are considered as the new trends. Understand these new trends of technology will enable marketers to adjust its marketing activities and create a new strategy to fit in the market.

Political Environment:

Regulation and legislation are always big issues that affect marketing decision. The development of the political environment often changes company operation. The political environment consists of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. These parties regularly create a number of laws to regulate business and marketing activities. It keeps the balance and avoids the unfair activities between businesses; it also protects the society against unbridled business behavior.

Cultural Environment:

Within different society, there are different values, beliefs and norms. People who grow up in a particular society will absorb almost unconsciously a wide view that defines their relationships to one another. As it is the nature of the universe, there are different cultures depending on the religion, language and education within the society.

4.2.2.1

Lightweight Concrete PEST Analysis

Political and Legal Environment

The Political / Legal / Regulatory Environment can be simply described as the laws and regulations that business has to follow in order to make sure the business owners do not get arrested, or have the business fined for noncompliance of some regulations.

The Prime minister signed the decision numbered 121 on Aug 29th 2008 about materials construction development plan of Vietnam to 2020. It encourages investment in using and developing unbaked construction materials, minimizes the production of building materials from agriculture and polluting ones. In addition, it also encourages the development of the production of lightweight materials used for lightweight walls and partitions, fireproof materials, fire-retardant materials, sound insulation, thermal insulation, energy saving.

Over and above, in the same year of 2008, the government's decision 567 about developing unbaked construction materials to 2020 stresses ratio of lightweight bricks above unbaked materials about 21% to 25% in 2015 and 2020, proceeding to eliminate clay bricks in kilns.

Economic Environment

In the world, the proportion of light concrete using in the developed countries is up to 70% while in Vietnam, it is still very low. However, we gradually capture and apply this technology to put into production. Lightweight concrete have been using in the world for more than 50 years. Particularly, in Vietnam, this kind of bricks has recently ap-

peared and received encouraging use of the Prime Minister's Decision No. 567/QĐ-TTg dated 28/04/2008 on developing materials in the goal to 2020.

Since 2011, the high construction building (from the ninth floor and above) must use at least 30% lightweight and unbaked materials (specific gravity $\leq 1000\text{kg/m}^3$) of building materials totally. Since then, the factory production line technology brick of Autoclaved Aerated Concrete (AAC) have appeared more and more in Vietnam to meet the demand of construction. Otherwise, the clay resource has been gradually depleted; accordingly, maintaining the fully supply for today's construction industry by tunnels bricks may result in the ecological imbalances and the loss of farmland.

Thus, the appearance of lightweight concrete tiles in Vietnam is absolutely necessary. It is as an inevitably demand to develop the construction industry in Vietnam. As a result, in just one year, many factories are under construction or put into operation in many industry zones all over Vietnam. For example, Dai Toan Quang factory in Viet Yen (2010) with approximate power 50.000m^3 per year, Autoclaved Aerated Concrete – AAC factory of Vinh Duc Co. in Loc Son industry zone, Phuc Son factory in Luong Son industry zone, etc.

Social and cultural Environment

Social and cultural aspects of a society from its traditional way of thinking, saying, expressing and doing everything.

Traditionally, from far-away, people used various kinds of bamboos, rattans and woods in daily constructions and their lives because Vietnam is one of the hometowns of these materials. However, as living standards have been improving and our society has been facing with over-populated problem, the need for stable and high building is raised. At that moment, mostly building materials as wall covering in Vietnam is replaced by a kind of brick (taken from the natural soil material). Every year, according to recent statistics, the country use up to $60.000.000\text{ m}^3$ bricks, which is 70-80% handmade bricks (fuels are wood from the forest), causing severe environment damage (which is equal to 1000 B52 bombing yearly).

Technological Environment

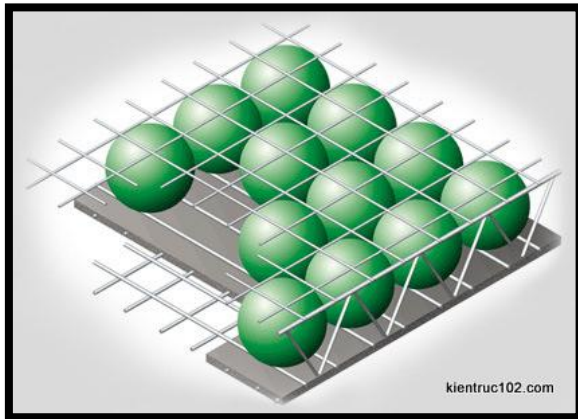


Figure 27: Lightweight Concrete Structure
(Kientruc102.com)

External factors in technology impacts in business operations. The changes in technology affect how a company will do business. A business may have to dramatically change their operating strategy as a result of changes in the technological environment.

Today, global climate change causes global warming, made the demand of freshening materials in summer as well as heating ones in winter has been rising. Nevertheless, the releases from cooling air systems lead to the degradation in our living environment, the loss of energy and a very high cost. Besides, the production of electricity is also a knotty question. Previously, when there is no high concentration on the energy because of its low cost and popularity, people don't consider the energy saving index as one of the important thing in architecture and building instead of pay attention to cooling air methods to ease their lives.

Furthermore, in many high-technology countries like America, France, Japan, the lightweight concrete made from creating bubbles (known as lightweight concrete creating bubbles) is applied in many important technical problems such as expressways, anti-slip in mountains or weak lands with a large technological and economic effect.

These days, as the energy cost is progressively increasing, people's awareness is changing to: the stability, the total cost for a whole life-time construction and nature friendly building materials to protect our environment for the future

4.2.3 SWOT Analysis

SWOT Analysis is the process of identifying the critical strengths; weaknesses, opportunities and threats. Marketers use SWOT analysis as an auditing tool to audit the organization and its environment. (Philip Kotler 2008, 135). The strengths and weak-

nesses refer to the company's positive and negative points. It shows what the business does better than the competitors and what do the competitors do better than the business. While the opportunities and threats usually shows what are the available opportunities out there for business to take advantage in and what might harm the business if there is no preparation to against it. (John Westwood 2006, 27)

Organization also uses SWOT as a tool to formulate a strategy against their competitors by analyzing the internal and external factors that cause negative and positive effects.

The purpose of SWOT is twofold. First, it gathers, analyze and evaluate the information to identify the most significant factors, both internal and external, affecting the organization and its markets. Second, it identifies strategic options by looking at the critical strengths and weaknesses together with opportunities and threads. (Graham Hooley et al. 2008, 42)

TNP Co, Ltd lightweight concrete production SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> - First lightweight concrete factory in the South of Vietnam. - 3 years experience in direct B2B marketing. - Factory is large with high capacity, which has potential to grow higher (currently 150,000 m3/year) - The company is one of main supplier of many popular construction firms. - High innovative manufacturing machines from Germany. - Direct delivery capability for the South area. - Business partners are large, well 	<ul style="list-style-type: none"> - Customer lists not tested. - Haven't gotten the new marketing division yet. - Doesn't have a firmly stand in the new industry. - Still known as a MDF production firm. - No pilot or trial done yet. - Marketing and Sales forces must be built immediately. - No product brand name.

known and reputable companies. - Management is committed and confident.	
Opportunities	Threats
- Become number 1 supplier in the South Market. - Overcome the current competitors and get 50% market share. - Lightweight concrete industry is supported by the government. - Market segment grows rapidly. - Exporting overseas. - Possibility to reach customers in the middle part of Vietnam.	- New entrants (Big players from the North) - Could distract from the core business. - Existing core business distribution risks. - Vulnerable to reactive attack by major competitors. - More players create stronger bargaining power.

4.3 Marketing Strategy

Marketing strategy is the most important part of the entire marketing plan; it outlines all of the possible strategies that firm may apply to achieve its objectives. Marketing strategy shows what is the position of the firm in the market, what segments should firm target on and how to apply the marketing mix strategy. It allows firm to focus on its limited resources to catch the greatest opportunities to increase sales and achieve a sustainable. (karunakaran, K 2008, 251). In One-Day Marketing Plan of Hiebing, Roman D. Cooper, Scott W (2004, 159). It's also stated that: "A Marketing strategy is a broad directional statement indicating how the marketing objectives will be achieved. It provides the method for accomplishing the objectives. While marketing objectives are specific, quantifiable and measurable, marketing strategies are descriptive"

The purpose of a marketing strategy is to guide organizations achieve their objectives that they set up at the beginning. Marketing strategy shows organizations the path of achieving those goals by analyzing the marketing mix as well as the marketing channels. By forming a marketing strategy, the author wants to give TNP Ltd a standard

guideline by highlighting its product characteristics, determining the price, locating the place and setting up promotion campaign. The market is big but the competition is even bigger, by using marketing segmentation and positioning, the author hopes TNP Ltd will see where they are at among all other competitors.

Alfred Toffler, the well-known futurist, stated "If you don't have a strategy, you will be permanently reactive and part of somebody else's strategy".

Doing business doesn't allow firms to be controlled by others. Setting up a good marketing strategy promise the successful of the companies among others.

4.3.1 Marketing Mix

A typical marketing mix as known as 4Ps is the combination of product, price, place and promotion. A marketing mix tells marketers that what goods or services they are offering (product), for how much customers have to spend over the product (price), where customers can find the product (place) and by which communication tools, customers may gain the awareness about the product (promotion). (Gerson al et. 1991, 28) The mix was born as an attempt to escape the limitations of that "make" and "sell" philosophy and it worked. It introduced the idea that customers were influenced by more than the hard facts of a product, and so encouraged a greater spirit of inquiry into the dynamics of the market place, its segments and its customer. The language used was not particularly revolutionary and suited the predominantly manufacturing-based economy of the time. (Peter Cheverton 2004, 269 – 270)

Producing a quality product in the right place at the right price is one of the key factors that helps TNP Ltd reach its target objective to become a top lightweight concrete supplier. Possess a quality product doesn't satisfy the customers if the price is out of their league and without a strategic promotion plan, customers may have no knowledge about their production line. By analyzing the marketing mix, the author hopes TNP Ltd finds the way to success by applying the right 4 P's strategy to its core business.

4.3.1.1

Product

A product refers to good or service that adds value for customer and bring profit for the company in return. (David W. Cravens 1997, 292)

TNP's lightweight concrete can be defined as a type of concrete which includes an expanding agent in which it increases the volume of mixture while giving additional qualities such as nailbility and lessened the dead weight. It is much lighter than the conventional concrete. But lightweight concrete itself is not only known because of its lightweight. Heat-resistant and waterproof are other reasons that constructors all over the world choose as a priority material in constructing high-rise building.

TNP's manufacturing plant is inherited Neopor Technology from Germany which has been used all over 45 countries. The main specialties of TNP's lightweight concrete are its low density and thermal conductivity which helps reducing the dead load and increasing building rates compared to other competitors. This technology allows lightweight concrete to be produced in a wide range of density from 400 – 1,800 kg/cubic meter which gives constructors a lot of options for their projects.

TNP's product main advantages:

Material Savings: because TNP's lightweight concrete uses only sand, lime, thermal ash, cement, aluminum powder and water as binding agent, it can be easy to bind into different forms to suit all constructing project requirements. Because of its flexibility, the use of TNP's lightweight concrete will help constructors save a lot of materials depending on the size of the projects. Standard size of light weight brick is 100x200x400 mm equivalent of 8 refined bricks (50x100x200 mm). This means that light weight brick saves construction time, materials used, such as cement and sand for construction. The weight of the bricks is 6.4 kg / peace D800, therefore with the same size, building is built of refined bricks would weigh twice as light weight bricks. (TNP Ltd Project Plan)

Saving transportation cost: As the name of the product, lightweight concrete reduces material weight which leads to less transportation cost. Moreover, current constructions in the South of Vietnam will reduce transportation cost when using TNP's lightweight

concrete because they don't have to transport the material from the middle and north suppliers.

Reducing dead load: Unstable ground conditions or desire to add extra floors on to existing structures, often limits application of normal dense concrete. Using TNP's lightweight concrete reduces dead load possibility so that constructors can build extra floors and prevent earthquake.

Fire protection: because of its complex structure, lightweight concrete is far superior to other building materials in preventing fire.

Eco-friendly: Lightweight concrete itself is 80% friendly to the environment than other materials. Therefore, the use of lightweight concrete will reduce the concerns of public about environmental issues. On the other hand, TNP Ltd aims to build a green factory together with a waste processing system to avoid environmental issues.

TNP's lightweight concrete technical specification:

Description	Unit	A-Type	B-Type	C-Type
Density	Kg/m ³	500	600	800
Compressive Strength	Mpa	3	4	6
Bending Strength	Mpa	1.5	1.87	2.23
Splitting Tensile Strength	Mpa	0.32	0.4	0.5
Dry Shrinkage	mm/m	≤ 0.15	≤ 0.15	≤ 0.15
Thermal Conductivity	W/M.K	0.13	0.13	0.13
Fire-resistance Rating	Hour	4 – 8	4 – 8	4 – 8
Sound Transmission Coefficient	Decibel	40	45	50
Water Permeability (max)	%	50	40	30

Figure 28: TNP Ltd's lightweight concrete technical specification

4.3.1.2

Price

Price is the cost of good or service that customer has to pay in order to receive the value within the good or service. (David W. Cravens 1997, 343)

Depending on the type of the construction and the size of the project, TNP has a wide range of price package designed to suit all the constructions at the lowest cost. Currently, TNP's price is almost the same with other similar lightweight concrete in the market. However, to those constructions which are located in the South of Vietnam, those will find that the price of TNP's lightweight concrete is reasonably cheaper to other because of the reducing in transportation cost.

Because of its growing demand, TNP see there's no reason to reduce the price in the future even though with the high production capacity, TNP has the ability to lower its price up to 20%. The advantages of production line which is supported by Neopor technology, TNP aims to win the market with attractive price and better quality.

4.3.1.3

Place

Place refers to where customer may acquire the product or service it can be a shop, a studio, a store, a café or anywhere that company offers its products. (consultancymarketing.co.uk)

As the plan stated at the beginning, TNP's factory is located in Tien Giang Province and aims to take control of the Southern market. TNP Ltd wants to become No.1 lightweight concrete supplier in the south of Vietnam and take over 50% market shares in this promising region. In order to do so, TNP Ltd firstly has to build a strong distribution network over the South region to reach as many constructions as possible, especially in big cities such as Ho Chi Minh, Can Tho, Nha Trang and Bien Hoa.

The new lightweight concrete factory has a very competitive advantage in location. It's located in the central of Southern Vietnam; very close to Ho Chi Minh city and others big cities within the same region. By far, it's possible to reach other city without any transporting issues.

Beside TNP's factory which is a workplace for over 500 workers, TNP's business center is located in Ho Chi Minh City currently with over 15 official employees. The new lightweight concrete production line requires TNP Ltd to expand its homebase in order to fit the new business. It's estimated that the number of employees will be up to 50 in the first quarter of 2012. And all of the department will be reorganized to balance two core businesses which are MDF production and lightweight concrete production. The new expanding homebase will remain within same location but bigger to keep in touch with all the current customers which are constructors, real-estate companies and constructing material wholesalers.

4.3.1.4 Promotion

Promotion is a marketing activity that marketers use to enhance the product's awareness, push up sales and clear out stock. (Hudekar, S.G. Appannaiah, H.R. Reddy, P.N. 2010, 102)

Concerning the promotion plan, TNP Ltd has been cooperated with Golden Communication Group to promote MDF for over 2 years for many projects. To enter the new industry, Golden Communication Group is also cooperated with TNP Ltd to promote lightweight concrete in any aspects.

Building a professional website:

The website takes the responsibility in introducing the TNP Ltd profile and history as well as the production line to the public. It has to be accessible and informative for everyone who has interests in lightweight concrete. It has to hold on information about lightweight concrete specification, application as well as the advantages of this new constructing material. By accessing the website, current customers can update all the information of TNP's current projects and product range. On the other hand, the website plays an important role in connecting TNP Ltd and its potential customers among the viewers.

Housing Fairs:

Attending annual housing fairs in Ho Chi Minh City and Hanoi not only gives TNP Ltd the opportunity to introduce its lightweight concrete but also increasing the chance to reach potential customers. Most of the visitors are constructors, housing companies and lots of investors who looking for new things. These housing fairs are only organized 1-2 times a year within different location in Ho Chi Minh City and Hanoi. Therefore, the preparation for these kinds of events is absolutely important.

Press Conference:

By organizing a press conference, TNP Ltd can attract public attention and draw an interesting story about its lightweight concrete production line. Reaching the press attention would help TNP Ltd make all important announcements to gain coverage in newspapers, magazines, blogs and on TV broadcasts. However, press conferences can waste time and money if the story isn't newsworthy or the press conference is poorly organized and executed. Therefore, it takes time and lots of efforts to prepare the press conference in a professional way.

Public Relation:

Lightweight concrete itself has already created a good image in the public by achieving lots of environmental issues. These achievements not only enhance TNP's reputation but also change the way people think about traditional building materials by showing the benefits of the new building material. Receiving feedback from the public is also one of the best ways to find out the negative and positive react from the customers.

4.3.2 Marketing Channel – Distribution Channel

Marketing channels as known as distribution channel is a distributing network whereas the products are delivered to customer throughout different levels of channel. In this network, middlemen perform its special function by bringing the products to final customers (Ramachandra 2010, 5.4).

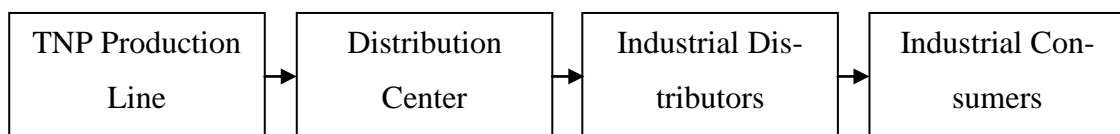
In Marketing Management of Karunakaran. K (2008, 170), it's stated that:

“The operational success of a company depends not only on how well it performs in terms of production and sales but also on how well its entire channels of distribution compete with competitors' channels. A company may produce the best products but still not do well if its dealers perform poorly in sales and service against the competitors' dealers.”

When writing a marketing plan for TNP Ltd, the author recognized that marketing channels play a vital role in the development of the company. Understand the important role of marketing channels gives TNP Ltd the opportunity to reach all the potential customers together with promoting their products throughout these channels. In order to do that, TNP Ltd has to build a distribution center which takes the responsibility in distributing lightweight concrete to other sub distributors and wholesalers in other provinces. TNP Ltd distribution center's responsibilities in:

- Contacting center.
- Promoting the products.
- Providing information about the products.
- Price negotiation.
- Transporting goods.
- Selling out stock and products.
- Keep the distribution flows smoothly.

Furthermore, because TNP Ltd is a manufacturing company, therefore its marketing channel type is two level channels:



4.3.3 Marketing Segmentation and Positioning

Different customers have different needs and they do not purchase the same products for same reason. Marketing segmentation allows marketers identify who are interested in the products and who have more purchasing power in the market that firm operates. (John Westwood 2006, 19). Competitive positioning concerned how the company wants to be in the market, which issues and what factors that make its products different than other competitors. (Graham Hooley 2008, 205 – 206)

4.3.3.1 TNP Ltd Market Segmentation:

As a manufacturing company, TNP Ltd's targets are mostly big construction companies and building material wholesalers. Those are the one who always purchase and order in large quantities. With the high production capability, TNP Ltd can satisfy all the hardest demands. Therefore, smaller companies with low demands are classified as a sub-segment whereas there is a different strategy to approach these companies. The purpose of segmenting the market is to allow TNP Ltd to focus only on the subset of prospects that mostly push up the profitability. Defining the segments also helps TNP Ltd apply the right marketing strategy for every segment that it targets on.

Segment 1: big projects such as high-rise building, governmental projects, commercial centers, etc

All the projects that are estimated to consume over 10 million concrete bricks per project are considered as big projects and classified in segment 1. These projects often take two to five years to complete and the profitability for these projects is predictable. However, to get the contract from each of these projects is extremely difficult whereas company has to go through different steps such as project bidding conference, legal issues, initial requirements, company production capability requirements and so on. Normally, to avoid the delay in demand, there is often more than one company assigned to cooperate to participate in one project. Therefore, in order to get these contracts TNP Ltd has to satisfy all of the below requirements.

Quality: Since it's a big project, the quality plays a big role among other important aspects. No constructors or popular companies would trade off the quality of a project for lower price since it may pay off for future consequences.

Price: even that the quality is much more important than the price in the constructors' point of view. However, creating a quality project doesn't mean that they have to give up the profit, so as long as the products are cost effective to the projects in the overall view. Constructors will consider price as a key factor in choosing suppliers.

Company Capabilities: the term of capabilities here include a lot of things such as company initial capital, production capability, industry experiences as well as its financial performance. In Asia, especially, these requirements are extremely important

Regulation and other related legal issues: No companies can do their business smoothly without following the regulations. From the production process to the core business, everything has to follow all the regulations to guarantee the benefits and rights of the society. Companies which disregard the law will be eliminated sooner or later. Therefore, all the companies that want to participate in any big projects have to ensure that they follow the law and enrich the benefits of the society. Besides that, when environmental issues have become a part of the society in concerns, companies that cannot guarantee the responsibility for the environment may be eliminated as well.

In order to achieve the above requirements, TNP Ltd commits to produce the finest products to satisfy all of the construction requirements. With a wide range of prices, TNP Ltd believes that the entire project does not only get the most cost effective solution but also may reduce the materials cost up to 5 – 15% depending on the size of the project. With the advantages of lightweight concrete, TNP Ltd also guarantees the reduction in completion time of the project may be up to 4%. Moreover, by producing a friendly building material, TNP Ltd has definitely gotten the supports from the government and qualifies all the legal issues.

Segment 2: Small and medium projects such as villas, townhouses, terraced house and etc ...

All the projects that consume less than 10 million lightweight concrete bricks are classified in segment 2. All of the projects in this segment are often smaller in size compared with segment 1. However, the profitability from this segment is stable and unpredictable, a private villa owned by an individual may affect nothing, but a project with hundreds of villa owned by a real estate company would bring a promising profit for TNP Ltd. Therefore, considering a right strategy for this target market not only promise the profitability but also the market expansion in the very near future.

In this segment, there is no promise concerning the cost-effectiveness because when constructing a small building with lightweight concrete, the cost is slightly more expensive comparing to traditional building materials. However, considering the benefits that lightweight concrete brings up, the cost is no longer a big deal. And since these projects target directly middle and upper classes, understanding their needs and giving them a suitable solution is the key factor to success in this segment. Satisfying the customers in this segment is often more sensitive than in the first segment, because their requirements are very various and mostly different from one another.

Understanding the issue; the author recognizes the need of providing a various product range to offer this segment. If TNP Ltd's lightweight concrete cannot compete by the price, then giving out product options is the way out. Lightweight concrete itself has a lot of advantages such as fire protection, waterproofing and heat resistant. In Asia, especially Southern of Vietnam where there are only two seasons, the sunny season and the rainy season. Preventing overheated and permeability is the top concern of all constructors when constructing houses. It may cost up to 5% total costs for solving the above issues. Therefore, if TNP Ltd's lightweight concrete may solve the above problems, the success of lightweight concrete in this segment is just about time. Because even if customers have to pay more for the new material to tradeoff their concerns would be fair enough for them to take the chance in using the new material.

4.3.3.2

TNP Ltd Competitive Positioning:

With 4 years experiences in building material industry, TNP believes that quality plays a strategic role in the success of all manufacturing company. Therefore, TNP Ltd commits to produce high quality products for affordable prices instead of producing lower quality product with lower price. With lower price strategy they may lose all of their prestige that they have built up over 4 years of operation in the construction industry. It might take a lot of time being different but it might take second to lose it all if TNP Ltd choose the wrong strategy. Therefore, TNP Ltd will keep up with its quality commitment on the way of success, rather offering better prices to increase market share. However, with different price packs for different projects depending on their size, TNP believe that the price isn't a big issue for their business partners.

5 CONCLUSION AND RECOMMENDATION

The thesis was written since the beginning of October while the author was working at TNP Ltd. The thesis was written based on the information that was supported by the company as well as gathered by the author throughout different sources and interviews. The purpose of the thesis is to help TNP Ltd achieve its objectives and ready to step in the new industry. As a marketing plan, the thesis is an initial guideline for TNP Ltd to explore the new market. It covers the market analysis as well as a marketing strategy for TNP Ltd to enter the South market of Vietnam.

TNP Ltd itself has very great competitive advantages when entering the Southern market. First of all, most of TNP Ltd's main competitors are located in the North of Vietnam, so the competition between TNP Ltd and its competitors is indirect and avoidable. Secondly, customers who use TNP Ltd's lightweight concrete will be able to reduce the transporting cost when they are no longer depending on the supply of Northern companies. Thirdly, the market growth of the South region is currently high and potentially growing higher within a few years. Catching up these advantages will speed up the journey to success of TNP Ltd. However, if TNP Ltd does not follow a focused strategy around these advantages, it may bring up unexpected results. TNP Ltd should also take advantage on its former MDF distribution channel to market its new lightweight con-

crete business. This former distributing network may not be wide enough to reach all the customers but it is good enough to reach all the big cities and build up its product awareness.

When analyzing TNP Ltd's SWOT, the author realized that TNP Ltd's weaknesses are not too difficult to get rid of if the company knows how to use its strengths against its weaknesses. Within four years experience in B2B marketing, the author believes that TNP Ltd will be able to market and increase the awareness of its lightweight concrete production as well as turn the company's weaknesses into strengths by taking advantage on its strong points which are mentioned in the SWOT analysis. Besides, the author advises that TNP should create a brand name for its lightweight concrete to identify themselves among other lightweight concrete manufacturers. This brand name does not only make TNP Ltd's lightweight concrete become visible to the market but also show the product's value and quality commitment. With a strong brand name, TNP Ltd is one step closer to the opportunities that are listed in the SWOT. Those opportunities are not easy to take over but they are achievable if TNP Ltd responses those chances with the right actions at the right time. However, the threats are unavoidable; sooner or later TNP Ltd has to face more direct and intensive attacks from its competitors and new entrants when the South market becomes more attractive with high demand. Therefore, a good preparation for this future competition is never redundant. Enhancing the current strengths, erasing the existing weaknesses and trying not to miss any possible opportunities are what it takes to maintain the company's prestige in the market. It may or may not make TNP Ltd become the number one manufacturer in the lightweight concrete industry but for sure will guarantee a firmly stand for TNP Ltd whereas all the competitors must be aware.

Furthermore, TNP Ltd should concern more about the two segments that the author analyzed in the marketing plan. In the first segment, the author stated very clear about how to reach this market throughout a complete analysis about all the related issues. Therefore, further analysis of this market may not be necessary. However, when looking at the second segment, TNP Ltd may find it unclear why the author chose this market to target when the demand of this segment is low and unpredictable. Well, it may seem so if TNP Ltd looks at the market as a supplier but as a marketer, the author saw a great potential of this undiscovered market and analyzed quite clear about what it takes to

reach this market. Therefore, if TNP Ltd can fulfill those requirements, the company may make a lot of profits out of it because during the research, the author found out that this segment hasn't been targeted by any other lightweight concrete manufacturers. And if the author was right, this market may be considered as the blue ocean which W. Chan Kim and Renee Mauborgne defined in their book "Blue Ocean Strategy".

In conclusion, the thesis is written based on the author's points of view so it may bias in many aspects that the author believe are the key factors which will lead TNP Ltd to the success. The result of the research was interestingly out of what the author expected when he found out the marketing path for TNP Ltd. The author believes that the information in this thesis is far enough for TNP Ltd to market its lightweight concrete production. However, a deeper research to find out more financial figures will add more values to this marketing plan. Finally, the author hopes that within this thesis, TNP Ltd will achieve its objectives and become the leader in lightweight concrete industry.

6 LIMITATION OF THE THESIS

Because TNP's new marketing and financial department hasn't formed yet, so there are quite many limits regarding to financial figures as well as marketing research information. TNP is used to cooperate with Nielsen, a popular market research company, to conduct a marketing research for its MDF and HDF domestic market in the recent years so the market research for lightweight concrete will be conducted by Nielsen as well. However, until then, the author can only access to the secondary information provided by the company about the current competitors, customers and collaborators together with the information that the author conducted throughout interviews with many experts in the related field. Another limit for the research is the lack of full and complete financial figures such as sales forecast, cash-flow, break-even-point as well as other related financial indicators.

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Marilink Co

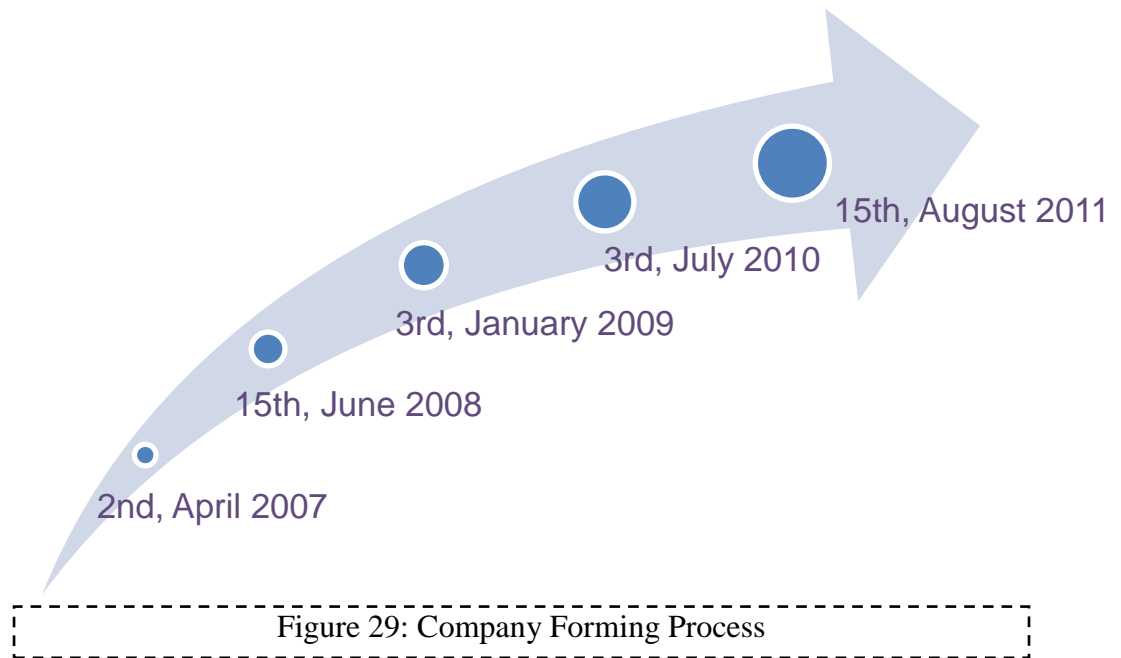
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Golden Communication Group

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8 APPENDICES

Company forming process



On April 2nd, 2007: Thien Nam Phuong Co., Ltd (TNP) was established and took the first step of the business with initial capital of 100 billion VND to build MDF (Medium density fiberboard). It started up with a small factory no more than 10.000m², and only 150 workers. The company faced many difficulties in capturing consumers' need, finding market and balancing between costs and profits. However, TNP still gained many successes and built a strong foundation for the development of the company in the future.

On June 15th, 2008: The market demand was down due to Global economic crisis. The company has survived with reasonable strategies and the bond relationship between boards and employees.

On January 3rd, 2009: The Company moved to larger factory (30.000m²) and over 320 employees, marking a new stage of development.

On July 3rd, 2010: The Company has had many changes in orientation activities and organizational structure. And the board members decided to invest 300 billion VND in lightweight concrete industry.

On August 15th, 2011: Thien Nam Phuong has great grown and become a strong enterprise in construction area, total whole capital increased to over 500 billion VND.

Goals

Becoming one of the leading companies in manufacturing and trading of construction materials, in the future the company will continue to make strategic investments to expand product's type and market development. Creating a good working environment where the working staffs are dynamic and loyal to the company. Leaders always make the best HR policies and treat employees as the most important customers.

Culture

In response to the year of "Culture Foreign Exchange" (2008) by the Prime Minister launched, TNP has participated in the "Vietnam Business Culture in Globalization" program to the development of the business culture with fair and consistence. Entering the 21st century when corporate culture in Vietnam step by step integrates with the outside world, the responsibilities and challenges of TNP increasingly larger. TNP is making its best to contribute in building the business culture, create opportunity for the development of human, economic and social progress. Here are some of main features of our business culture.

“We keep promise to keep faith”

When listening to business owners complained about the lack of loyalty of employees, such as inattentive working, high turnover, TNP leaders recommend that they should re-look at their own loyalty. The loyalty and keeping promise in company is cultural, moral key feature that first of all, the leaders must be exemplarily performed. Sometimes, the business owners did not keep their commitments. The worst result in this case is that the employee is no longer daring to share the difficulties and responsibilities with the company. When they lose their faith, they will find it in another company. Directors will have ample reason to explain why they don't keep their words but they can't take back the lost faith. The solution to this problem is simple. The employer must do what he has promised to employees.

“Disclosure, transparency and honesty”

TNP is determined to make a fair running system. The board knows that it's important to make the policies of building and developing employees' potential clear.

TNP always public information to employees on matters of running system, plan and strategies of human resource development. The company considers employees as assets that should be preserve, protect, invest and develop not as costs to low pay, cost-cutting. Leaders identify employees with a detail roadmap for the future.

Facts in our company

TNP is proud to be one of the few companies having its own unique culture. Its culture has formed with the day company was born.

It is about the belief sharing and value systems of all members. Culture became spiritual food, the glue of solidarity, great playing environment, cheering encouraging source and pride of every employee.

TNP Communication and Community Development Department is responsible for preserving the culture. Every year, the Department organizes cultural activities - sport to bring TNP members a rich spiritual life, adherence to the company, belief in the future with success of TNP.